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Addendum

V. Financial and budgetary matters

1. The Secretary provided information on the expenditures incurred for the operation of the first and second cycles of the Review Mechanism as at 28 February 2018, on projected expenditures for the completion of the first cycle, and on projected expenditures for the operation of the first two years of the second cycle. The Secretary also provided details on the resources received from both the regular budget of the United Nations and voluntary contributions.

2. With regard to the regular budget resources for the Review Mechanism in the biennium 2018–2019, the Secretary explained that the establishment of three additional posts had been approved by the General Assembly in support of the second cycle of the Review Mechanism to be financed from the regular budget, and noted that, with the establishment of the three posts, the regular budget requirements under the mixed funding model of the Mechanism in line with the relevant resolutions of the Conference were now capped.

3. With respect to the extrabudgetary resource requirements for the first cycle of the Mechanism, the Secretary explained that the estimates for the fourth and fifth years had been partially revised so that the total estimated costs for completing the first cycle were reduced by US$ 35,300.

4. The Secretary also informed the Group that it had revised the estimates for the first two years of the second cycle and calculated the cost projections for the third and fourth years of the second cycle based on the parameters, which were outlined in the Note by the Secretariat, entitled "Projected costs for the functioning of the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption", which is part of the "Report of the Conference of the States Parties to the United Nations Convention against Corruption on its sixth session, held in St. Petersburg, Russian Federation, from 2 to 6 November 2015" (CAC/COSP/2015/10). These revised estimates were made on the basis that no posts were to be financed from extrabudgetary resources as of 1 January 2018 and that the cost saving measures, which were currently in place, would continue to be applied.

5. In comparison to the previous estimates, the projected costs for the completion of the first two years of the second cycle were reduced by US$ 1,791,900. The Secretary also informed the Group, that any decision by the Group to lift the

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cost-saving measures related to travel would amount to estimated additional expenditures of US$ 1,208,200 with respect to the full completion of the second cycle.

6. Expressing his appreciation for the voluntary contributions and in-kind contributions made by States to support the Mechanism, the secretary drew attention to the extrabudgetary funding gap. Taking into account pledges that UNODC had received since 1 March 2018, the first cycle and the first two years of the second cycle were fully financed whereas with respect to the third and fourth year of the second cycle a funding gap of US$ 2,914,500 remained. Accordingly, the Secretary cautioned against decelerating fund-raising efforts.

7. Several speakers expressed their satisfaction with the transparency and clarity of the Secretariat's financial reporting, which provided a useful basis for deliberations.

8. Some speakers called for more detailed information about the use of languages in country reviews, disaggregated by region, in order to better understand cost and workload implications. In this context, one speaker provided the example of his country's efforts to limit the conduct of a country review to one language instead of three. Other speakers referred to the importance of multilingualism in the context of the Mechanism and cautioned against any measures that would negatively impact on the quality of the country reviews.

9. While stating her country's full support for the current mixed funding model and expressing their appreciation of the positive impact of the cost-saving measures, one speaker called for further efforts to save costs and proposed to reduce the number of reviews per year to stretch the extrabudgetary resource requirements over a longer time period as well as to consider reducing the number of meeting entitlements. The speaker also recognized the important role of the extrabudgetary resources in covering shortfalls incurred in the second cycle and the need to ensure that mandates are sustainable in the context of UNODC's financial situation.

10. Several speakers expressed their strong support, including through the provision of extrabudgetary contributions, to the Review Mechanism and called upon all countries to financially support the Mechanism within the resources available to them.

11. Some speakers expressed the view that the Mechanism should be fully funded from the regular budget of the United Nations in order to ensure sustainability and impartiality.

12. The Secretary reiterated the secretariat's undiminished commitment to ensuring the highest quality of the reviews, and reaffirmed the commitment of the Secretariat to multilingualism in the context of the Mechanism, while emphasizing that limiting the use of languages during a country review was encouraged on a voluntary basis. The Secretary also pledged to provide more detailed information about the use of languages during country reviews with data disaggregated by region.